

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:1119
ANSWERED ON:23.11.2007
NEW TECHNOLOGY FOR RENEWABLE ENERGY
Maharia Shri Subhash

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether the Government proposes to provide tax holiday and other incentives for Renewable energy sector in the country to encourage the industry to invest in new and renewable energy sector;
- (b) if so, the details thereof
- (c) whether the Government proposes to set up a corpus for the Research and Development in various new and renewable energy technologies; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY(SHRI VILAS MUTTEMWAR)

(a) & (b): The government has been encouraging private investment in renewable energy sector through a mix of fiscal and financial incentives that include capital/ interest subsidy, accelerated depreciation, nil/ concessional excise and customs duties. Further, as applicable to all new infrastructure projects, profits earned from sale of renewable power are exempt from Income Tax for any 10 years out of the first 15 years of project's operation. This apart, preferential tariff for grid interactive renewable power is being given in most potential States.

(c) & (d): There is no such proposal at present. However, an amount of Rs.1100 crore has been proposed to support Research and Development on different aspects of new and renewable energy technologies during 11th Plan period.